

## **MEMBER AND STOCKHOLDER AGREEMENT**

This Member and Stockholder Agreement (this "Agreement") is made and entered into as of this \_\_\_\_ day of \_\_\_\_\_, 2001 by and among the Persons (as defined herein) set forth on Schedule A attached hereto and TransConnect Corporate Manager, Inc., a Delaware corporation (the "Corporate Manager") (each such Person, a "Party" and collectively, the "Parties").

### **RECITALS**

WHEREAS, as of the date hereof, the Persons set forth on Schedule A are members of TransConnect LLC, a Delaware limited liability company ("TransConnect LLC");

WHEREAS, pursuant to the terms of that certain Limited Liability Company Operating Agreement for TransConnect LLC (the "Operating Agreement"), to which each of the Persons set forth on Schedule A is a party, the Interests (as defined in the Operating Agreement) are convertible into shares of class B common stock[, par value \$.01 per share] (the "Class B Common Stock") of the Corporate Manager or class C common stock[, par value \$.01 per share] (the "Class C Common Stock") of the Corporate Manager, pursuant a formula to be set forth in this Agreement;

WHEREAS, under the Certificate of Incorporation of the Corporate Manager (the "Certificate of Incorporation"), the Corporate Manager may issue shares of Class B Common Stock or Class C Common Stock only to those Persons who, in consideration for the issuance of such shares, shall have transferred to the Corporate Manager all or any portion of such Person's Interest in TransConnect LLC pursuant to the terms and conditions of the Operating Agreement;

WHEREAS, the Parties desire to set forth certain matters governing their relationship as Members (as defined in the Operating Agreement) of TransConnect LLC and holders (or potential holders) of Class B Common Stock or Class C Common Stock, including, among other things, the formula pursuant to which Interests in TransConnect LLC are to be converted into shares of Class B Common Stock or Class C Common Stock and certain registration rights under the Securities Act (as defined herein);

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants and agreements contained herein, the Parties agree as follows:

**ARTICLE 1**  
**Definitions**

"Affiliate" means an affiliate, as defined by the FERC in Order No. 2000.

"Agreement" means this Agreement together with any Schedules and Exhibits attached hereto.

"Business Day" means any day (other than a day which is a Saturday, Sunday or federal holiday in the United States).

"Certificate of Incorporation" means the Certificate of Incorporation of the Corporate Manger.

"Class B Common Stock" has the meaning set forth in the Recitals.

"Class C Common Stock" has the meaning set forth in the Recitals.

"Corporate Manager" means TransConnect Corporate Manager, Inc., a Delaware corporation.

"FERC" means the Federal Energy Regulatory Commission, or any successor entity thereto.

"Operating Agreement" means the Limited Liability Company Operating Agreement for TransConnect LLC.

"Order No. 2000" means Order No. 2000 issued by the FERC and all supplements and amendments thereto that are effective as of the date hereof.

"Participating Principal Stockholder(s)" means any Person set forth on Schedule A that has requested that its Registrable Securities be included in a demand registration under Section 4.1 of this Agreement or an incidental registration under Section 4.2 of this Agreement, as the case may be.

"Party" and "Parties" have the meanings set forth in the preamble of this Agreement.

"Person" means any individual, partnership, limited liability company, joint venture, corporation, trust, unincorporated organization, governmental entity or any department or agency thereof.

"Registrable Securities" means those shares of Class A common stock[,par value \$.01 per share] (the "Class A Common Stock"), of the Corporate Manager which may be issued upon the conversion of shares of Class B Common Stock or Class C Common Stock that are issued by the Corporate Manager to any Person set forth on Schedule A (or any such Person's designee) upon the conversion of part or all of such Person's Interest in TransConnect LLC; provided, however, that any such securities shall cease to be Registrable Securities with respect to a proposed offer or sale thereof when a registration statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with the plan of distribution set forth in such registration statement or when they are held by any Person other than a Person set forth on Schedule A (or any such Person's designee).

"Registration Expenses" has the meaning set forth in Section 4.8 of this Agreement.

"RTO" means an RTO as defined by Order No. 2000, or any subsequent order or rulemaking issued or made by the FERC relating to the same.

"Rule 144" means Rule 144 promulgated under the Securities Act, or any successor rule to similar effect.

"SEC" means the United States Securities and Exchange Commission.

\_\_\_\_\_ "Securities Act" means the Securities Act of 1933, as amended, or any successor statute.

"Subsidiaries" means all corporations or partnerships as to which the designated Person has either a direct or indirect ownership interest, by way of stock ownership or otherwise, representing more than 50% of the voting power of such corporations or the right to otherwise control the decision making of such corporation or partnership.

"TransConnect LLC" means TransConnect LLC, a Delaware limited liability company.

**ARTICLE 2**  
**Representations and Warranties of the Parties**

Each Party represents and warrants that:

2.1. Organization. It is duly organized, validly existing and in good standing under the laws of the state of its organization;

2.2. Authorization. It has all requisite power and authority to enter into this Agreement; the execution and delivery by such Party of this Agreement and the consummation by such Party of the transactions contemplated hereby have been duly authorized by all necessary and appropriate action on the part of such Party; and this Agreement has been duly and validly executed and delivered by such Party and constitutes (assuming the due and valid execution and delivery of this Agreement by the other Parties), the legal, valid and binding obligations of such Party, enforceable against such Party in accordance with its terms;

2.3. No Litigation. There is no litigation pending or, to the best knowledge of such Party, threatened against such Party which has a reasonable likelihood of materially and adversely affecting the consummation of the transactions contemplated hereby or any of such Party's obligations under this Agreement;

2.4. No Breach. The execution, delivery and performance by such Party of this Agreement will not result in a breach of any of the terms, provisions or conditions of any agreement to which such Party is a party which has a reasonable likelihood of materially and adversely affecting the consummation of the transactions contemplated hereby or any of such Party's obligations under this Agreement;

2.5. Required Approvals. The execution and delivery by such Party of this Agreement and the consummation of the transactions contemplated hereby do

not require any filing by such Party with, or approval or consent of, any governmental authority which has not already been made or obtained<sup>1</sup>; and

2.6. No Claims. There are no claims, either administrative or judicial, at law or in equity, pending or, to the knowledge of such Party, threatened against it which could, if continued, have a material adverse affect on the business, operations, properties, assets or condition (financial or otherwise) of such Party, or the ability of such Party to perform its obligations under this Agreement.

### **ARTICLE 3**

#### **Conversion of Interests into Class B Common Stock**

3.1 Conversion Formula. Each Party who transfers all or any portion of its Interest in the TransConnect LLC to the Corporate Manager in consideration for the issuance of shares of Class B Common Stock or Class C Common Stock shall receive, and the Corporate Manager shall issue to such Party, that number of shares of Class B Common Stock or Class C Common Stock equal to: [**CONVERSION FORMULA TO COME**].

### **ARTICLE 4**

#### **Registration under Securities Act**

4.1 Demand Registration.

a. Request. Subject to the provisions of this Section 4.1 and any other limitation to which any Person set forth on Schedule A has contractually agreed concerning the disposition of such Person's Registrable Securities, upon a written request signed by a Person set forth on Schedule A that the Corporate Manager effect the registration under the Securities Act of all or part of such Person's Registrable Securities, specifying the number of Registrable Securities to be registered and the intended method of disposition thereof, the Corporate Manager will deliver within two business days of receipt of such written request a written notice of such request to all other Persons set forth on Schedule A, and all other holders of the

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<sup>1</sup> It is anticipated that this Agreement will not be executed until FERC has issued its approval of the same.

Corporate Manager's securities, if any, that have incidental registration rights entitling them to request that their securities be covered by such registration, and thereupon the Corporate Manager will use its best efforts to effect the registration under the Securities Act of the Registrable Securities which the Corporate Manager has been requested to register by such Person, all to the extent requisite to permit the intended disposition of the Registrable Securities to be so registered.

b. Registration of Other Securities. Except as set forth in Section 4.1(g) below, whenever the Corporate Manager shall effect a registration pursuant to this Section 4.1, as many shares of Class A Common Stock as those Persons set forth on Schedule A have requested to be incidentally registered there-with also shall be included among the securities covered by the registration but no securities other than the Registrable Securities (including those to be incidentally registered) shall be included among the securities covered by such registration unless (i) the managing underwriter of such offering shall have advised the Participating Principal Stockholder(s) in writing that the inclusion of such other securities would not adversely affect such offering or (ii) the Participating Principal Stockholder(s) shall have consented in writing to the inclusion of such other securities.

c. Registration Statement Form. Registrations under this Section 4.1 shall be on such appropriate registration form of the SEC (i) as shall be selected by the Corporate Manager and as shall be reasonably acceptable to the Participating Principal Stockholder(s) and (ii) as shall permit the disposition of such Registrable Securities in accordance with the intended method or methods of disposition specified in the Participating Principal Stockholder(s) request for registration. The Corporate Manager agrees to include in any such registration statement all information which, in the opinion of counsel to the Participating Principal Stockholder(s) and counsel to the Corporate Manager, is required to be included.

d. Effective Registration Statement. A registration requested pursuant to this Section 4.1 shall not be deemed to have been effected and will not be considered one of the three demand registrations which may be requested by a Person set forth on Schedule A (i) unless a registration statement with respect thereto has become effective, (ii) if after it has become effective, it does not remain effective for a period of at least 180 days (unless the Registrable Securities registered thereunder have been sold or disposed of prior to the expiration of such 180 day period) or such registration is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court for any

reason and has not thereafter become effective, or (iii) if the conditions to closing specified in the underwriting agreement entered into in connection with such registration are not satisfied or waived other than by reason of the failure or refusal of a Participating Principal Stockholder to satisfy or perform a condition to such closing.

e. Priority in Demand Registration. If a demand registration pursuant to this Section 4.1 involves an underwritten offering, the Participating Principal Stockholder(s) shall cause the managing underwriter to advise the Corporate Manager in writing as to the number and class or classes of securities that can be included in such registration in addition to the Registrable Securities (including those to be incidentally registered) that will be within a price range acceptable to the Participating Principal Stockholder(s) (the "Maximum Offering Amount"). Subject to Section 4.1(b), such registration will include only (x) the Registrable Securities (including those to be incidentally registered) and (y) up to that number of additional securities of the Corporate Manager which does not exceed the Maximum Offering Amount drawn from the Corporate Manager and/or other holders of the Corporate Manager's securities who have incidental registration rights entitling them to have securities registered in such offering.

f. Number and Size of Demand Registrations; Other Limitations. Notwithstanding anything in this Section 4.1 to the contrary, the Corporate Manager shall not be required to effect more than three demand registrations per Person set forth on Schedule A pursuant to Section 4.1 of this Agreement.

g. Incidental Registration by the Corporate Manager. If any of the Persons set forth on Schedule A makes a request for a registration pursuant to Section 4.1(a), the Corporate Manager may determine to include securities of the same class sought to be registered by any such Participating Principal Stockholder for sale for the Corporate Manager's own account by giving written notice thereof to each of the Participating Principal Stockholder(s) within 15 business days after receipt by the Corporate Manager of the written request of the Participating Principal Stockholder(s), specifying the number of shares or amount of interests which the Corporate Manager wishes to have registered, but only to the extent that the number of shares or amount of interests the Corporate Manager seeks to include does not, when aggregated with the number of Registrable Securities requested to be registered by the Participating Principal Stockholder(s) and the securities to be registered by the other holders of the Corporate Manager's securities, if any, who have incidental registration rights entitling them to have securities covered by such

registration, exceed the Maximum Offering Amount, and subject to the limitations of Section 4.1(b).

#### 4.2 Incidental Registration.

a. Right to Include the Registrable Securities. If the Corporate Manager proposes to register securities under the Securities Act by registration on Forms S-1, S-2 or S-3 or any successor or similar form(s) (except registrations on Forms S-4 or S-8 and any successor or similar forms) whether for sale for its own account or pursuant to a demand for registration under a registration rights agreement granted to another person (but only to the extent the incidental registration rights provided in this Section 4.2(a) are permissible under and not inconsistent with such other demand registration rights) it will give prompt written notice each such time (except as otherwise provided in Section 4.2(d)) to each of the Persons set forth on Schedule A of its intention to do so and of such Persons' rights under this Section 4.2. Upon the written request of any of the Persons set forth on Schedule A (specifying the Registrable Securities intended to be disposed of and the intended method of disposition thereof), made within 15 business days after the receipt of any such notice (10 business days if the Corporate Manager gives telephonic notice to each of such Persons with written confirmation to follow promptly thereafter, stating that (i) such registration will be on Form S-3 or other appropriate form and (ii) such shorter period of time is required because of a planned filing date) (which written request by any such Person shall specify the Registrable Securities to be disposed of by such Person and the intended method of disposition thereof), the Corporate Manager will use its best efforts to effect the registration under the Securities Act of all Registrable Securities which the Corporate Manager has been so requested to register by the Participating Principal Stockholder(s), to the extent requisite to permit the disposition (in accordance with the intended methods thereof as aforesaid) of such Registrable Securities to be so registered. If the Corporate Manager thereafter determines for any reason not to register or to delay registration of such securities, the Corporate Manager, by act of its Board of Directors, may, at its election, give written notice of such determination to each of the Participating Principal Stockholder(s) and, thereupon, (i) in the case of a determination not to register, shall be relieved of the obligation to register such Registrable Securities in connection with such registration (but not from any obligation of the Corporate Manager to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights (if any) of the Persons set forth on Schedule A to request that such registration be effected as a registration under Section 4.1 or to the right of each Person set forth on Schedule A to request an incidental registration on a

subsequent registration, and (ii) in the case of a determination to delay registration, shall be permitted to delay registering any Registrable Securities, for the same period as the delay in registration of such other securities. The Corporate Manager will pay all Registration Expenses in connection with registration of Registrable Securities requested pursuant to this Section 4.2.

b. Priority in Incidental Registration Rights in connection with Registrations for the Corporate Manager's Account. If the registration referred to in Section 4.2(a) is to be an underwritten primary registration on behalf of the Corporate Manager, and the managing underwriter(s) advise the Corporate Manager in writing that in their good faith opinion such offering would be materially and adversely affected by the inclusion therein of the total number of securities requested to be registered by other persons entitled to incidental registration rights from the Corporate Manager and the Registrable Securities requested to be included therein by the Participating Principal Stockholder(s) under this Agreement, the Corporate Manager shall include in such registration: (i) first, all securities the Corporate Manager proposes to sell for its own account ("Company Securities"), (ii) second, up to the full amount of securities of other holders of Company securities, if any, which have incidental registration rights with priority over the rights of the Persons set forth on Schedule A under this Agreement, in such amount as in the good faith opinion of the underwriter(s) can be sold after taking in account the dollar amount of securities proposed to be sold under clause (i), without an adverse impact on the offering or the Company Securities, and (iii) third, up to the full number of (x) securities of Persons, if any, with incidental registration rights coextensive with the incidental rights of the Persons set forth on Schedule A under this Agreement and (y) Registrable Securities requested to be included in such registration by the Participating Principal Stockholder(s), in excess of the number or dollar amount of securities proposed to be sold under clauses (i) and (ii) which, in the good faith opinion of such underwriter(s), can be sold without an adverse impact on the offering or the Company Securities, allocated pro rata among such Persons based on the number of securities each has requested to be registered.

c. Limitations; Exceptions. The Corporate Manager shall not be required to effect any registration of Registrable Securities under this Section 4.2 incidental to the registration of any of its securities in connection with mergers, acquisitions, exchange offers, subscription offers, dividend reinvestment plans or stock option or other employee benefit plans. No registration of Registrable Securities effected under this Section 4.2 shall relieve the Corporate Manager of its obligation to effect a registration of Registrable Securities pursuant to Section 4.1

hereof. The exercise of any incidental rights under this Section 4.2 by any Participating Principal Stockholder shall not affect the exercise of the demand rights provided for in Section 4.1 hereof.

4.3 Registration Procedures. In connection with the Corporate Manager's obligations pursuant to Sections 4.1 and 4.2 hereof, the Corporate Manager will use its best efforts to effect such registrations to permit the sale of Registrable Securities in accordance with the intended method or methods of disposition thereof, and pursuant thereto the Corporate Manager will as expeditiously as possible:

a. prepare (within 90 days after a request for registration is made to the Corporate Manager in the case of a registration pursuant to Section 4.1(a) and in any event as soon as possible) and file with the SEC, a registration statement or registration statements on any appropriate form under the Securities Act, which form shall be available for the sale of the Registrable Securities by the holders thereof in accordance with the intended method or methods of distribution thereof, and use its best efforts to cause such registration statement to become effective and to remain continuously effective for a period of 180 days following the date on which such registration statement is declared effective, provided that the Corporate Manager shall have no obligation to maintain the effectiveness of such registration statement after the sale of all Registrable Securities registered thereunder;

b. prepare and file with the SEC such amendments and post-effective amendments to a registration statement as may be necessary to keep such registration statement effective for the applicable period; cause the related prospectus to be supplemented by any required prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act; and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during the applicable period in accordance with the intended methods of disposition by the Participating Principal Stockholder(s) set forth in such registration statement or supplement to such prospectus;

c. notify each of the Participating Principal Stockholder(s) and the managing underwriters, if any, promptly, and (if requested by any such Person) confirm such advice in writing, (i) when a prospectus or any prospectus supplement or post-effective amendment has been filed, and, with respect to a

registration statement or any post-effective amendment, when the same has become effective, (ii) of any request by the SEC for amendments or supplements to a registration statement or related prospectus or for additional information, (iii) of the issuance by the SEC of any stop order suspending the effectiveness of a registration statement or the initiation of any proceedings for that purpose, (iv) if at any time the representations and warranties of the Corporate Manager made as contemplated by paragraph (l) below cease to be true and correct, (v) of the receipt by the Corporate Manager of any notification with respect to the suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose, (vi) of the happening of any event which requires the making of any changes in a registration statement or related prospectus so that such documents will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading and (vii) of the Corporate Manager's reasonable determination that a post-effective amendment to a registration statement would be appropriate;

d. make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a registration statement, or the lifting of any suspension of the qualification of any of the Registrable Securities for sale in any jurisdiction, at the earliest possible moment;

e. if requested by the managing underwriters or the Participating Principal Stockholder(s), immediately incorporate in a prospectus supplement or post-effective amendment such information as the managing underwriters and the Participating Principal Stockholder(s) agree should be included therein relating to the sale and distribution of Registrable Securities, including, without limitation, information with respect to the number of Registrable Securities being sold to such underwriters, the purchase price being paid therefor by such underwriters and with respect to any other terms of the underwritten (or best efforts underwritten) offering of the Registrable Securities to be sold in such offering; make all required filings of such prospectus supplement or post-effective amendment as soon as notified of the matters to be incorporated in such prospectus supplement or post-effective amendment; and supplement or make amendments to any registration statement if requested by the Participating Principal Stockholder(s) or any underwriter of such Registrable Securities;

f. furnish to each of the Participating Principal Stockholder(s) and each managing underwriter, without charge, at least one conformed

copy of the registration statement or statements and any post-effective amendment thereto, including financial statements and schedules, all documents incorporated therein by reference and all exhibits (including those incorporated by reference);

g. deliver to each of the Participating Principal Stockholder(s) and the underwriters, if any, without charge, as many copies of the prospectus or prospectuses (including each preliminary prospectus) and any amendment or supplement thereto and such other documents as such Persons may reasonably request; the Corporate Manager consents to the use of such prospectus or any amendment or supplement thereto by the Participating Principal Stockholder(s) and the underwriters, if any, in connection with the offering and sale of the Registrable Securities covered by such prospectus or any amendment or supplement thereto;

h. prior to any public offering of Registrable Securities, use its best efforts to register or qualify or cooperate with the Participating Principal Stockholder(s), the underwriters, if any, and their respective counsel in connection with the registration or qualification of such Registrable Securities for offer and sale under the securities or blue sky laws of such jurisdictions as the Participating Principal Stockholder(s) or any underwriter reasonably requests in writing; keep each such registration or qualification effective during the period such registration statement is required to be kept effective and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by the applicable registration statement; provided that the Corporate Manager will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any such jurisdiction where it is not then so subject;

i. cooperate with the Participating Principal Stockholder(s) and the managing underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Registrable Securities to be sold and not bearing any restrictive legends unless required by applicable law; and enable such Registrable Securities to be in such denominations and registered in such names as the managing underwriters may request at least two business days prior to any sale of Registrable Securities to the underwriters;

j. use its best efforts to cause the Registrable Securities covered by the applicable registration statement to be registered with or approved by

such other governmental agencies or authorities as may be necessary to consummate the disposition of such Registrable Securities;

k. upon the occurrence of any event contemplated by paragraph (c)(vi) above, prepare a supplement or post-effective amendment to the applicable registration statement or related prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Securities being sold thereunder, such prospectus will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading;

l. enter into such agreements (including an underwriting agreement) and take all such other actions in connection therewith in order to expedite or facilitate the disposition of such Registrable Securities and in such connection, whether or not an underwriting agreement is entered into and whether or not the registration is an underwritten registration, (i) make such representations and warranties to the Participating Principal Stockholder(s) with respect to the registration statement, prospectus and documents incorporated by reference, if any, in form, substance and scope as are customarily made by issuers to underwriters in underwritten offerings and confirm the same if and when requested; (ii) furnish to the Participating Principal Stockholder(s) an opinion of counsel for the Corporate Manager addressed to the Participating Principal Stockholder(s) and dated the date of the closing under the underwriting agreement (if any) (or if such offering is not underwritten, dated the effective date of the registration statement), and (iii) use its best efforts to furnish to the Participating Principal Stockholders a "cold comfort" letter addressed to the Participating Principal Stockholder(s) and signed by the independent public accountants who have audited the Corporate Manager's financial statements included in such registration statement, in each such case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities and such other matters as the Participating Principal Stockholder(s) may reasonably request and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements; and (iv) the Corporate Manager shall deliver such documents and certificates as may be requested by the Participating Principal Stockholder(s) and the managing underwriters, if any, to evidence compliance with this clause (l) and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Corporate Manager; all of the

above to be done at each closing under such underwriting or similar agreement or as and to the extent required thereunder;

m. otherwise use its best efforts to comply with all applicable rules and regulations of the SEC and make generally available to its security holders earnings statements satisfying the provisions of Section 11(a) of the Securities Act, no later than 90 days after the end of any 12-month period (i) commencing at the end of any fiscal quarter in which Registrable Securities are sold to underwriters in a firm or best efforts underwriting offering and (ii) beginning with the first day of the Corporate Manager's first fiscal quarter next succeeding each sale of Registrable Securities after the effective date of a registration statement, which statements shall cover said 12-month periods; and

n. use its best efforts to cause all Registrable Securities covered by each registration to be listed on each securities exchange and inter-dealer quotation system on which a class of common equity securities of the Corporate Manager is then listed and to pay all fees and expenses in connection therewith.

The Corporate Manager may require the Participating Principal Stockholder(s) to furnish to the Corporate Manager such information regarding themselves and the distribution of such Registrable Securities as the Corporate Manager may from time to time reasonably request in writing in order to comply with the Securities Act. The Participating Principal Stockholder(s) agree to notify the Corporate Manager as promptly as practicable of any inaccuracy or change in information they have previously furnished to the Corporate Manager or of the happening of any event, in either case as a result of which any prospectus relating to such registration contains an untrue statement of a material fact regarding the Participating Principal Stockholder(s) or the distribution of such Registrable Securities or omits to state any material fact regarding the Participating Principal Stockholder(s) or the distribution of such Registrable Securities required to be stated therein or necessary to make the statement therein not misleading in light of the circumstances then existing, and to promptly furnish to the Corporate Manager any additional information required to correct and update any previously furnished information or required such that such prospectus shall not contain, with respect to the Participating Principal Stockholder(s) or the distribution of such Registrable Securities, an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing. The Persons set forth on Schedule A agree that, upon receipt of any notice from the Corporate Manager of the happening

of any event of the kind described in Section 4.3(c)(ii), (iii), (v), (vi) or (vii) hereof, each will forthwith discontinue disposition of such Registrable Securities covered by such registration statement or prospectus until such holder's receipt of the copies of the supplemented or amended prospectus relating to such registration statement or prospectus, or until it is advised in writing by the Corporate Manager that the use of the applicable prospectus may be resumed, and has received copies of any additional or supplemental filings which are incorporated by reference in such prospectus, and, if so directed by the Corporate Manager, each will deliver to the Corporate Manager (at the Corporate Manager's expense) all copies, other than permanent file copies then in the Participating Principal Stockholder(s)' possession, of the prospectus covering the Registrable Securities current at the time of receipt of such notice.

#### 4.4 Underwritten Offerings.

a. Demand Underwritten Offerings. In any offering pursuant to a registration requested under Section 4.1, sales shall be made through a nationally or regionally recognized investment banking firm (or syndicate managed by such a firm) selected by the Participating Principal Stockholder(s) and reasonably satisfactory to the Board of Directors of the Corporate Manager. The Corporate Manager shall enter into an underwriting agreement which shall be reasonably satisfactory in form and substance to the Participating Principal Stockholder(s) and which shall contain representations, warranties and agreements (including indemnification agreements to the effect and to the extent provided in Section 4.7) as are customarily included by an issuer in underwriting agreements with respect to secondary distributions. The Participating Principal Stockholder(s) shall be parties to such underwriting agreement and the representations and warranties by, and the other agreements on the part of, the Corporate Manager to and for the benefit of such underwriters shall also be made to and for the benefit of the Participating Principal Stockholder(s). No Participating Principal Stockholder shall be required to make any representations or warranties to or agreements with the Corporate Manager or the underwriters other than representations, warranties or agreements regarding itself, its Registrable Securities and its intended method of distribution and any other representation required by law.

b. Incidental Underwritten Offerings. If the Corporate Manager at any time proposes to register any of its securities under the Securities Act as contemplated by Section 4.2 and such securities are to be distributed by or through one or more underwriters, the Corporate Manager will, if requested by any Person set forth on Schedule A as provided in Section 4.2 and subject to the provisions of

Section 4.2(b) and any rights it has granted to other holders of securities of the Corporate Manager which may have a preference or priority over the rights of the Persons set forth on Schedule A hereunder, use its best efforts to arrange for such underwriters to include all the Registrable Securities to be offered and sold by the Participating Principal Stockholder(s) among the securities to be distributed by underwriters. The Participating Principal Stockholder(s) shall be party to the underwriting agreement between the Corporate Manager and such underwriters and the representations and warranties by, and the other agreements on the part of, the Corporate Manager to and for the benefit of such underwriters shall also be made to and for the benefit of the Participating Principal Stockholder(s). No Participating Principal Stockholder shall be required to make any representations or warranties to or agreements with the Corporate Manager or the underwriters other than representations, warranties or agreements regarding itself, its Registrable Securities and the intended method of distribution and any other representation required by law.

4.5 Preparation; Reasonable Investigation. In connection with the preparation and filing of each registration statement under the Securities Act pursuant to this Agreement, the Corporate Manager will give the Participating Principal Stockholder(s) their underwriters, counsel and accountants the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the SEC, and each amendment thereof or supplement thereto, and will give each of them such access to its books and records and such opportunities to discuss the business of the Corporate Manager with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the opinion of the Participating Principal Stockholder(s)' and such underwriters' counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

4.6 Limitations, Conditions and Qualifications to Obligations Under Registration Covenants. The obligations of the Corporate Manager to cause the Registrable Securities to be registered under the Securities Act are subject to each of the following limitations, conditions and qualifications:

a. The Corporate Manager shall not be obligated to file or keep effective any registration statement pursuant to Section 4.1 hereof at any time if the Corporate Manager would be required to include financial statements audited as of any date other than the end of its fiscal year.

b. The Corporate Manager, by act of its Board of Directors, shall be entitled to postpone for a reasonable period of time (but not exceeding 90 days) the filing or effectiveness of any registration statement otherwise required to be prepared and filed by it pursuant to Section 4.1 if the Board of Directors of the Corporate Manager determines, in its reasonable judgment, that (i) the Corporate Manager is in possession of material information that has not been disclosed to the public and the Board of Directors of the Corporate Manager reasonably deems it to be advisable not to disclose such information at such time in a registration statement or (ii) such registration and offering would interfere with any financing, acquisition, corporate reorganization or other material transaction involving the Corporate Manager and its Subsidiaries, taken as a whole, and, in any such case, the Corporate Manager promptly gives each of the Participating Principal Stockholder(s) written notice of such determination, containing a general statement of the reasons for such postponement and an approximation of the anticipated delay. If the Corporate Manager shall so postpone the filing of a registration statement, the Participating Principal Stockholder(s) shall have the right to withdraw the request for registration by giving written notice to the Corporate Manager within 30 days after receipt of the notice of postponement and, in the event of such withdrawal, such request shall not be counted for purposes of one of the requests for registration to which the Persons set forth on Schedule A are entitled pursuant to Section 4.1 hereof.

#### 4.7 Indemnification.

a. Indemnification by the Corporate Manager. In the event of any registration of any Registrable Securities under the Securities Act, the Corporate Manager will, and hereby does, indemnify and hold harmless, to the fullest extent permitted by law, the Participating Principal Stockholder(s), each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls any such underwriter within the meaning of the Securities Act, against any and all judgments, fines, penalties, charges, costs, amounts paid in settlement, losses, claims, damages, liabilities, expenses, or attorney fees, joint or several, incurred in investigating, preparing or defending any action, claim, suit, inquiry, proceeding, investigation or appeal taken from the foregoing by or before any court or governmental, administrative or other regulatory agency, body or SEC, whether pending or threatened, whether or not an indemnified party is or may be a party thereto, including interest on the foregoing ("Indemnified Damages"), to which they or any of them may become subject under the Securities Act or any other statute or common law, insofar as any such Indemnified Damages arise out of or are based upon (i) any untrue statement or alleged untrue statement of a material

fact contained in the registration statement relating to the sale of such securities or any post-effective amendment thereto or in any filing made in connection with the qualification of the offering under blue sky or other securities laws of jurisdictions in which the Registrable Securities are offered ("Blue Sky Filing"), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading or (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary prospectus, if used prior to the effective date of such registration statement (unless such statement is corrected in the final prospectus and the Corporate Manager has previously furnished copies thereof to any Participating Principal Stockholder seeking such indemnification and the underwriters), or contained in the final prospectus (as amended or supplemented if the Corporate Manager shall have filed with the SEC any amendment thereof or supplement thereto) if used within the period during which the Corporate Manager is required to keep the registration statement to which such prospectus relates current, or the omission or alleged omission to state therein (if so used) a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that the indemnification agreement contained herein shall not (i) apply to such Indemnified Damages arising out of, or based upon, any such untrue statement or alleged untrue statement, or any such omission or alleged omission, if such statement or omission was made in reliance upon and in conformity with written information furnished to the Corporate Manager by the Participating Principal Stockholder(s), any other stockholders of the Corporate Manager participating in the registration or such underwriter specifically stating that it is for use in connection with preparation of the registration statement, any preliminary prospectus or final prospectus contained in the registration statement, any such amendment or supplement thereto or any Blue Sky Filing or (ii) inure to the benefit of any underwriter or any Person controlling such underwriter, to the extent that any such Indemnified Damages arise out of such Person's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, to the Person asserting an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus.

Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Participating Principal Stockholder(s) or any underwriter or controlling Person and shall survive the transfer of such securities by the Participating Principal Stockholder(s).

b. Indemnification by the Participating Principal Stockholders. The Corporate Manager may require, as a condition to including the Registrable Securities of the Participating Principal Stockholder(s) in any registration statement filed pursuant to Section 4.1 or 4.2, that the Corporate Manager shall have received an undertaking satisfactory to it (and them, if applicable) from each of the Participating Principal Stockholder(s) participating in the registration to indemnify and hold harmless (in the same manner and to the same extent as set forth in subdivision (a) of this Section 4.7) the Corporate Manager, its officers and directors and each officer of the Corporate Manager and each other Person, if any, who controls the Corporate Manager within the meaning of the Securities Act, (and any other stockholders of the Corporate Manager participating in the registration, if applicable) with respect to any untrue statement or alleged untrue statement in, or omission or alleged omission from, such registration statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereto, if such statement or omission was made in reliance upon and in conformity with written information furnished to the Corporate Manager through an instrument duly executed by the Participating Principal Stockholder(s) specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, amendment or supplement. Such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Corporate Manager or any such director, officer or controlling Person and shall survive the transfer of such securities by the Participating Principal Stockholder(s). In no event shall any indemnity paid by the Participating Principal Stockholder(s) to the Corporate Manager (and/or any other stockholders of the Corporate Manager participating in the registration) pursuant to this section 4.7(b), or otherwise, exceed the proceeds received by such Person in such offering.

c. Notices of Claims, etc. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in the preceding subdivisions of this Section 4.7, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Section 4.7, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, the indemnifying party shall be entitled to participate in and, unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist in respect of such

claim, to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. In the event that the indemnifying party advises an indemnified party that it will contest a claim for indemnification hereunder, or fails, within thirty (30) days of receipt of any indemnification notice to notify, in writing, such person of its election to defend, settle or compromise, at its sole cost and expense, any action, proceeding or claim (or discontinues its defense at any time after it commences such defense), then the indemnified party may, at its option, defend, settle or otherwise compromise or pay such action or claim. In any event, unless and until the indemnifying party elects in writing to assume and does so assume the defense of any such claim, proceeding or action, the indemnified party's costs and expenses arising out of the defense, settlement or compromise of any such action, claim or proceeding shall be losses subject to indemnification hereunder; provided, however, that the Corporate Manager shall be obligated to pay the fees and expenses of only one counsel for the representation in a given matter of the Participating Principal Stockholder(s) and any other stockholders of the Corporate Manager participating in the registration. The indemnified party shall cooperate fully with the indemnifying party in connection with any negotiation or defense of any such action or claim by the indemnifying party and shall furnish to the indemnifying party all information reasonably available to the indemnified party which relates to such action or claim. The indemnifying party shall keep the indemnified party fully apprised at all times as to the status of the defense or any settlement negotiations with respect thereto. If the indemnifying party elects to defend any such action or claim, then the indemnified party shall be entitled to participate in such defense with counsel of its choice at its sole cost and expense. If the indemnifying party does not assume such defense, the indemnified party shall keep the indemnifying party apprised at all times as to the status of the defense; provided, however, that the failure to keep the indemnifying party so informed shall not affect the obligations of the indemnifying party hereunder. No indemnifying party shall be liable for any settlement of any action, claim or proceeding effected without its written consent, provided, however, that the indemnifying party shall not unreasonably withhold, delay or condition its consent. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement or other compromise which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all

liability in respect to such claim or litigation. Following indemnification as provided for hereunder, the indemnifying party shall be subrogated to all rights of the indemnified party with respect to all third parties, firms or corporations relating to the matter for which indemnification has been made.

d. Indemnification Payments. The indemnification required by this Section 4.7 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or Indemnified Damages are incurred.

e. Contribution. If the indemnification provided for in this Section 4.7 shall for any reason be held by a court to be unavailable to an indemnified party under subparagraph (a) or (b) hereof in respect of any Indemnified Damages, then, in lieu of the amount paid or payable under subparagraph (a) or (b) hereof, the indemnified party and the indemnifying party under subparagraph (a) or (b) hereof shall contribute to the aggregate Indemnified Damages, (i) in such proportion as is appropriate to reflect the relative fault of the Corporate Manager and the Participating Principal Stockholder(s) and any other stockholders of the Corporate Manager participating in the registration, with respect to the statements or omissions which resulted in such Indemnified Damages, as well as any other relevant equitable considerations, or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as shall be appropriate to reflect the relative benefits received by the Corporate Manager and the Participating Principal Stockholder(s) and any other stockholders of the Corporate Manager participating in the registration from the offering of the securities covered by such registration statement. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. The obligations of the Participating Principal Stockholder(s) to contribute as provided in this subparagraph (e) are several in proportion to the relative value of their respective Registrable Securities covered by such registration statement and not joint. In addition, no Person shall be obligated to contribute hereunder any amounts in payment for any settlement of any action or claim effected without such Person's consent, which consent shall not be unreasonably withheld.

f. Other Rights, Liabilities. The indemnity agreements contained herein shall be in addition to (i) any cause of action or similar right of the indemnified party against the indemnifying party or others, and (ii) any liabilities the indemnifying party may be subject to pursuant to the law.

g. Other Indemnification and Contribution. Indemnification and contribution similar to that specified in the preceding subdivisions of this Section 4.7 (with appropriate modifications) shall be given by the Corporate Manager and each Participating Principal Stockholder with respect to any required registration or other qualification of Registrable Securities under any federal or state law or regulation of any governmental authority other than the Securities Act.

4.8 Registration Expenses. The Corporate Manager will pay all Registration Expenses (as defined below) in connection with the demand registrations of Registrable Securities requested under Sections 4.1. In a registration of Registrable Securities under Section 4.2, the Corporate Manager will pay all Registration Expenses, other than (i) counsel's fees and expenses for Participating Principal Stockholder(s), (ii) the fees and expenses of any other Person retained by the Participating Principal Stockholder(s), (iii) the Participating Principal Stockholder(s)' own internal expenses and (iv) any incremental increase in out-of-pocket expenses incurred directly by the Corporate Manager as a result of including the Registrable Securities of Participating Principal Stockholder(s) in the offering above that which would have been incurred by the Corporate Manager notwithstanding the inclusion of the Registrable Securities in the offering; which costs and expenses the Participating Principal Stockholder(s) shall pay, pro rata, based on the number of Registrable Securities each is registering in the offering. Registration Expenses include all expenses incident to the Corporate Manager's performance of or compliance with this Agreement, including without limitation all registration and filing fees, including fees with respect to filings required to be made with the National Association of Securities Dealers, Inc., fees and expenses of compliance with securities or blue sky laws, including, without limitation, reasonable fees and disbursements of counsel for the underwriters, all word processing, duplicating and printing expenses, messenger, telephone and delivery expenses, and fees and disbursements of counsel of the Corporate Manager and of all independent certified public accountants of the Corporate Manager (including the expenses of any special audit and "cold comfort" letters required by or incident to such performance), underwriters fees and disbursements (excluding discounts, SEC or fees of underwriters, selling brokers, dealer managers or similar securities industry professionals relating to the distribution of the Registrable Securities), securities acts liability insurance if the Corporate Manager so desires, fees and expenses of other Persons retained by the Corporate Manager and, in the case of a registration pursuant to Section 4.1, the reasonable fees and expenses of one counsel to the Participating Principal Stockholder(s) and any other holders of securities being registered in such registration (selected jointly by the holders of at least 50% of the Registrable Securities covered by such registration)

(all such expenses being herein called "Registration Expenses"). Except as otherwise provided above, the Corporate Manager will also pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit, the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange, rating agency fees and the fees and expenses of any Person, including special experts, retained by the Corporate Manager.

4.9 Certain Rights of Stockholders If Named in a Registration Statement. If any statement contained in a registration statement under the Securities Act refers to any of the Persons set forth on Schedule A by name or otherwise as the holder of any securities of the Corporate Manager, then each such Person shall have the right to require the insertion therein of language, in form and substance reasonably satisfactory to such Person and the Corporate Manager, to the effect that such Person's holdings do not necessarily make either a "controlling person" of the Corporate Manager within the meaning of the Securities Act and the statement is not to be construed as a recommendation of the investment quality of the Corporate Manager's securities covered thereby.

4.10 Holdback Agreements. The Corporate Manager agrees, and shall cause its Subsidiaries to agree (i) not to effect any public sale or distribution of any securities similar to those being registered, or any securities convertible into or exchangeable or exercisable for such securities during the five business days prior to, and during the 90 day period beginning on, the date on which the registration statement in which the Participating Principal Stockholders are participating is first declared effective (except as part of such registration, and except pursuant to a registration of securities on Form S-4 or Form S-8, or any form substituting therefor) or the commencement of a public distribution of the Registrable Securities pursuant to such registration statement and (ii) that any agreement entered into after the date of this Agreement pursuant to which the Corporate Manager or any of the Corporate Manager's Subsidiaries issues or agrees to issue any privately placed securities similar to the Registrable Securities shall contain a provision under which holders of such securities agree not to effect any public sale or distribution of any such securities during the periods described in (i) above, in each case including a sale pursuant to Rule 144 (or any similar provision then in force) under the Securities Act (except as part of any such registration, if permitted or when prevented by applicable statute or regulation from entering into such an agreement).

4.11 Rule 144. The Corporate Manager shall take all actions and file all such information, documents and reports as shall be required to enable the Participating Principal Stockholders to sell their Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC.

## **ARTICLE 5**

### **General Provisions**

\_\_\_\_\_ 5.1. Notices. Unless otherwise specifically provided in this Agreement, all notices and other communications required or permitted to be given hereunder shall be in writing and shall be (i) delivered by hand, (ii) delivered by a nationally recognized commercial overnight delivery service, (iii) mailed postage prepaid by certified mail in any such case directed or addressed to the respective addresses set forth in Schedule A attached hereto (iv) transmitted by facsimile to the facsimile number set forth in Schedule A attached hereto, with receipt confirmed. Such notices shall be effective: (a) in the case of hand deliveries, when received; (b) in the case of an overnight delivery service, on the next business day after being placed in the possession of such delivery service, with delivery charges prepaid; (c) in the case of certified mail, upon receipt of the written signature card indicating acceptance by addressee; and (d) in the case of facsimile notices, the Business Day following the date on which electronic indication of receipt is received. Any Party may change its address and facsimile number by written notice to the other Parties given in accordance with this Section 5.1, following the effectiveness of which notice Schedule A attached hereto shall be updated accordingly.

\_\_\_\_\_ 5.2. Entire Agreement, etc. This Agreement, any Schedules and Exhibits attached hereto and the Operating Agreement shall constitute the entire agreement between the Parties relating to the subject matter hereof and shall supersede all prior contracts, agreements and understandings between them relating to such matters.

\_\_\_\_\_ 5.3. Construction Principles. As used in this Agreement, words in any gender shall be deemed to include all other genders. The singular shall be deemed to include the plural and vice versa. The captions and article and section headings in this Agreement are inserted for convenience of reference only and are not intended to have significance for the interpretation of or construction of the provisions of this Agreement.

\_\_\_\_\_ 5.4. Counterparts. This Agreement may be executed in two or more counterparts by the Parties hereto, each of which when so executed will be an original, but all of which together will constitute one and the same instrument.

\_\_\_\_\_ 5.5. Severability. If any provision of this Agreement is held to be invalid or unenforceable for any reason, such provision shall be ineffective to the extent of such invalidity or unenforceability; provided, however, that the remaining provisions will continue in full force without being impaired or invalidated in any way unless such invalid or unenforceable provision or clause shall be so significant as to materially affect the Parties' expectations regarding this Agreement. Otherwise, the Parties hereto agree to replace any invalid or unenforceable provision with a valid provision which most closely approximates the intent and economic effect of the invalid or unenforceable provision.

\_\_\_\_\_ 5.6. Assignment; Binding Effect. No Party may assign this Agreement in whole or in part without the prior written consent of all of the other Parties hereto. This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

\_\_\_\_\_ 5.7. Additional Documents and Acts. Each Party agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be necessary or appropriate to effectuate, carry out and perform all of the terms, provisions, and conditions of this Agreement and of the transactions contemplated hereby.

\_\_\_\_\_ 5.8. No Third Party Beneficiary. This Agreement is made solely for the benefit of the Parties hereto and their successors and permitted assigns and no other Person shall have any rights, interest, or claims hereunder or otherwise be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

5.9. Injunctions. Irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. Therefore, the Parties hereto shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction, such remedy being in addition to any other remedy to which any such Party may be entitled at law or in equity.

\_\_\_\_\_ 5.10. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to the principles of conflicts of law.

5.11. Amendment. This Agreement may be amended, modified or supplemented only by written agreement of all of the Parties hereto.

IN WITNESS WHEREOF, each of the Parties to this Agreement has caused a duly authorized officer of such Party to execute this Agreement as of the date first above written.

**SCHEDULE A**

Name

Type of Entity

Address & Facsimile Number